

To:
Audiologists
Hearing
Instrument
Specialists
Speech and
Hearing Clinics
HMOs and Other
Managed Care
Programs

Revised terms of reimbursement for providers who dispense hearing instruments

Effective March 1, 2003, Wisconsin Medicaid will revise the terms of reimbursement (TOR) by redefining the term “net cash outlay cost” as the “manufacturer’s invoice cost” including end-of-month volume discounts for hearing instrument specialists and audiologists who dispense hearing instruments. Wisconsin Medicaid will reimburse providers who dispense hearing instrument packages up to the maximum allowable dispensing fee plus the lesser of the manufacturer’s invoice cost including end-of-month volume discounts, or the maximum allowable fee, for the hearing instrument packages purchased.

Providers are now required to submit only end-of-the-month volume discounts with their claims as shown on the manufacturer’s invoice.

Providers should keep a copy of the manufacturer’s invoice consistent with HFS 106.02(9), Wis. Admin. Code. These changes were made to simplify the claims submission process for providing hearing instruments and related services.

Refer to Attachments 1 and 2 of this *Wisconsin Medicaid and BadgerCare Update* for the revised hearing instrument specialist and audiology TOR. The TOR revisions replace older versions. The revisions will automatically take effect; providers do not need to resubmit certification packets.

Information regarding Medicaid HMOs

This *Update* contains Medicaid fee-for-service policy and applies to providers of services to recipients on fee-for-service Medicaid only. For Medicaid HMO or managed care policy, contact the appropriate managed care organization. Wisconsin Medicaid HMOs are required to provide at least the same benefits as those provided under fee-for-service arrangements.

The *Wisconsin Medicaid and BadgerCare Update* is the first source of program policy and billing information for providers.

Although the *Update* refers to Medicaid recipients, all information applies to BadgerCare recipients also.

Wisconsin Medicaid and BadgerCare are administered by the Division of Health Care Financing, Wisconsin Department of Health and Family Services, P.O. Box 309, Madison, WI 53701-0309.

For questions, call Provider Services at (800) 947-9627 or (608) 221-9883 or visit our Web site at www.dhfs.state.wi.us/medicaid/.

ATTACHMENT 1

Hearing Instrument Specialist Terms of Reimbursement

(A copy of the “Hearing Instrument Specialist Terms of Reimbursement” is located on the following pages.)

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Secretary**State of Wisconsin**

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**HEARING INSTRUMENT SPECIALIST
TERMS OF REIMBURSEMENT**

The Department will establish maximum allowable fees for all covered hearing aid dispensing services, equipment, and supplies provided to Wisconsin Medicaid recipients eligible on the date of service. The maximum allowable fees shall be based on various factors, including a review of usual and customary charges submitted to Wisconsin Medicaid, the Wisconsin State Legislature's Medicaid budgetary constraints, and other relevant economic limitations. Maximum allowable fees may be adjusted to reflect reimbursement limits or limits on the availability of federal funding as specified in federal law.

All providers dispensing hearing aids and hearing aid supplies will be reimbursed by Wisconsin Medicaid up to the maximum allowable dispensing fee plus the lesser of the provider's net cash outlay, defined as the manufacturer's invoice cost including end-of-month volume discounts, or the Medicaid maximum allowable fee, for the materials and supplies purchased. Wisconsin Medicaid reimbursement, less appropriate copayments and payments by other insurers, will be considered to be payment in full.

Hearing Aid Package

The purchase of a hearing aid package, including, but not limited to, a hearing aid, ear mold, cord, and one package of batteries, shall be reimbursed based on the lesser of the maximum allowable fee established by the Department, or the manufacturer's invoice cost including end-of-month volume discounts. The provider is required to bill his or her manufacturer's actual invoice cost including end-of-month volume discounts. That amount is considered by the Department as the net cash outlay or the actual cost to the provider to permit the provider to fully recover out-of-pocket cost for the purchase of the hearing aid package furnished to Wisconsin Medicaid recipients.

Hearing Aid Accessories and Dispensing Fees

Providers are required to bill their usual and customary charges for covered services on each claim for hearing aid accessories and for the dispensing of a hearing aid. The usual and customary charge is the amount charged by the provider for the same service when provided to non-Medicaid patients. For providers using a sliding fee scale for specific services, the usual and customary charge is the median of the individual provider's charge for the service when provided to non-Medicaid patients.

Applicable Provider Type(s): 36, 37, 84

Effective Date: March 1, 2003

Renewed: March 1, 2003

PC08159/TOR

Wisconsin.gov

Hearing aid accessories which are not a part of the initial hearing aid package will be reimbursed based on the lesser of the maximum allowable fee established by the Department or the provider's usual and customary charge.

The dispensing fee is reimbursed based on the lesser of the maximum allowable fee established by the Department or the provider's usual and customary charge. The dispensing fee includes the following services:

1. Initial office visit, ear mold impression, and fitting of the proper hearing aid,
2. A one-year service guarantee and any necessary service, and
3. Up to five post-fittings and follow-up visits as necessary for adjustments and hearing aid orientation.

The Department will adjust payments made to providers to reflect the amounts of any allowable copayments which the providers are required to collect pursuant to Ch. 49, Wis. Stats.

Payments for deductible and coinsurance payable on an assigned Medicare claim shall be made in accordance with s. 49.46(2)(c), Wis. Stats.

In accordance with federal regulations contained in 42 CFR Part 447.205, the Department will provide public notice in advance of the effective date of any significant proposed change in its methods and standards for setting maximum allowable fees for services.

ATTACHMENT 2

Audiology Terms of Reimbursement

(A copy of the “Audiology Terms of Reimbursement” is located on the following pages.)

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James E. Doyle
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**AUDIOLOGY
TERMS OF REIMBURSEMENT**

The Department will establish maximum allowable fees for all covered audiology services and all hearing aid dispensing services, equipment, and supplies provided to Wisconsin Medicaid recipients eligible on the date of service. The maximum allowable fees shall be based on various factors, including a review of usual and customary charges submitted to Wisconsin Medicaid, the Wisconsin State Legislature's Medicaid budgetary constraints, and other relevant economic limitations. Maximum allowable fees may be adjusted to reflect reimbursement limits or limits on the availability of federal funding as specified in federal law.

Audiology Professional Services

For diagnostic audiological services and for hearing therapy, the maximum allowable fees apply to one unit of service, which is the complete service as defined by the *Current Procedural Terminology* code description. Reimbursement for treatment of less or greater than one unit of service is prorated so that only the amount of time billed is reimbursed. Group therapy is reimbursed on a per person basis, at a maximum allowable fee.

Dispensing of Hearing Aids

All providers dispensing hearing aids and hearing aid supplies will be reimbursed by Wisconsin Medicaid up to the maximum allowable dispensing fee plus the lesser of the provider's net cash outlay, defined as the manufacturer's invoice cost including end-of-month volume discounts, or the Medicaid maximum allowable fee, for the materials and supplies purchased. Wisconsin Medicaid reimbursement, less appropriate copayments and payments by other insurers, will be considered to be payment in full.

Hearing Aid Package

The purchase of a hearing aid package, including, but not limited to, a hearing aid, ear mold, cord, and one package of batteries, shall be reimbursed based on the lesser of the maximum allowable fee established by the Department, or the manufacturer's invoice cost including end-of-month volume discounts. The provider is required to bill his or her manufacturer's actual invoice cost including end-of-month volume discounts. That amount is considered by the Department as the net cash outlay or the actual cost to the provider to permit the provider to fully recover out-of-pocket cost for the purchase of the hearing aid package furnished to Wisconsin Medicaid recipients.

Applicable Provider Type(s): 36, 37

Effective Date: March 1, 2003

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Hearing Aid Accessories and Dispensing Fees

Providers are required to bill their usual and customary charges for covered services on each claim for hearing aid accessories and for the dispensing of a hearing aid.

Hearing aid accessories which are not a part of the initial hearing aid package will be reimbursed based on the lesser of the maximum allowable fee established by the Department or the provider's usual and customary charge.

The dispensing fee is reimbursed based on the lesser of the maximum allowable fee established by the Department or the provider's usual and customary charge. The dispensing fee includes the following services:

1. Initial office visit, ear mold impression, and fitting of the proper hearing aid,
2. A one-year service guarantee and any necessary service, and
3. Up to five post-fittings and follow-up visits as necessary for adjustments and hearing aid orientation.

General Provisions

Providers are required to bill their usual and customary charges for all services provided other than hearing aid packages. The usual and customary charge is the amount charged by the provider for the same service when provided to non-Medicaid patients. For providers using a sliding fee scale for specific services, the usual and customary charge is the median of the individual provider's charge for the service when provided to non-Medicaid patients.

For each covered service other than hearing aid packages, the Department shall pay the lesser of a provider's usual and customary charge or the maximum allowable fee established by the Department. Wisconsin Medicaid reimbursement, less appropriate copayments and payments by other insurers, will be considered to be payment in full.

The Department will adjust payments made to providers to reflect the amounts of any allowable copayments which the providers are required to collect pursuant to Ch. 49, Wis. Stats.

Payments for deductible and coinsurance payable on an assigned Medicare claim shall be made in accordance with s. 49.46(2)(c), Wis. Stats.

In accordance with federal regulations contained in 42 CFR Part 447.205, the Department will provide public notice in advance of the effective date of any significant proposed change in its methods and standards for setting maximum allowable fees for services.

Applicable Provider Type(s): 36, 37

Effective Date: March 1, 2003
Renewed: March 1, 2003